

Financial Markets Daily

Main drivers for the financial markets today...

- Stock markets and government bond yields mixed, with the USD lower. Investors remain cautious, looking for additional drivers while also assimilating economic figures and speeches from Fed members, including hawkish comments from Jerome Powell and analyzing upcoming moves regarding rate cuts
- On economic figures, October's data in China gave some signs of a recovery in terms of industrial production (5.3%), retail sales (4.8%) –with a positive surprise vs. consensus–, and investment (3.4%). In the UK, GDP in 3Q24 only grew 0.1% q/q, while in Japan this same figure came in at 0.2%. In the US we will be looking into November's Empire index, along October's retail sales and industrial production
- On the monetary front, we note speeches from Goolsbee, Collins, Williams, and Barkin. In the UK, BoE Governor, Andrew Bailey, asked authorities not to impose tariffs as payback given the expected wave of protectionism from the US. In Japan, there are a lot of expectations surrounding a speech from BoJ Governor, Kazuo Ueda, on Monday, given it will be its last participation
- In Mexico, today is the deadline for the MoF to present the 2025 Budget to Congress. Yesterday, Moody's ratified Mexico's credit rating at 'Baa2', albeit revising the outlook from stable to negative
- In other news, the US is looking to impose additional sanctions to Russia, which include the prohibition to American banks of dealing with Gazprombank, which is the third largest lender in that country

The most relevant economic data...

	Event/Period	Unit	Banorte	Survey	Previous
Mexico					
	Deadline for the presentation of the 2025 Fiscal Budget				
UK					
2:00	Industrial production* - Sep	% m/m	--	0.1	0.5
2:00	Gross domestic product - 3Q24 (P)	% y/y	--	1.0	0.7
2:00	Gross domestic product* - 3Q24 (P)	% q/q	--	0.2	0.5
United States					
8:30	Empire manufacturing* - Nov	index	-4.0	0.0	-11.9
8:30	Advance retail sales* - Oct	% m/m	0.2	0.3	0.4
8:30	Ex autos & gas* - Oct	% m/m	--	0.3	0.7
8:30	Control group* - Oct	% m/m	0.2	0.3	0.7
9:15	Industrial production* - Oct	% m/m	-0.3	-0.3	-0.3
9:15	Manufacturing production* - Oct	% m/m	-0.3	-0.5	-0.4

Source: Bloomberg and Banorte. (P) preliminary data; (R) revised data; (F) final data; * Seasonally adjusted, ** Seasonally adjusted annualized rate.

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A glimpse to the main financial assets

	Last	Daily chg.
Equity indices		
S&P 500 Futures	5,946.25	-0.5%
Euro Stoxx 50	4,814.12	-0.4%
Nikkei 225	38,642.91	0.3%
Shanghai Composite	3,330.73	-1.5%
Currencies		
USD/MXN	20.38	-0.1%
EUR/USD	1.06	0.4%
DXY	106.45	-0.2%
Commodities		
WTI	68.49	-0.3%
Brent	72.28	-0.4%
Gold	2,567.49	0.1%
Copper	415.10	1.6%
Sovereign bonds		
10-year Treasury	4.44	0pb

Source: Bloomberg

Equities

- The week concludes with mixed movements in stock markets. Investors are digesting announcements related to the composition of Donald Trump's cabinet and are uneasy about the expectation that interest rates could fall at a slower pace than expected
- As such, futures in the US anticipate a negative opening, with the S&P500 trading 0.5% below its theoretical value, and the Nasdaq doing the same at 0.8%. In Europe we observe mixed movements. The pharmaceutical sector and specifically vaccine producers, show the steepest falls. In Asia, the rise in Japan's stock markets contrasts with the falls seen in China. In Mexico we still have no clear catalysts, so we expect the Mexbol Index to consolidate near 50,000pts
- In the final stretch of reports in the US, we have 92% of the results and a 7.0% increase in profits has been achieved vs. 5.1%

Sovereign fixed income, currencies and commodities

- Mixed balance in sovereign bonds. The 10-year European rates increase 2bps, on average. Meanwhile, the Treasuries' yield steepens due to gains of 2bps at the short-end and losses of 1bp at the long-end. Yesterday, Mbonos' curve printed a 7bps rally, with the 10-year benchmark closing at 9.95% (-6bps)
- Dollar weakens against all G10 currencies, with NOK (+0.7%) as the strongest. In EM, the bias is positive with THB (+0.8%) leading gains. Meanwhile, MXN trades virtually unchanged at 20.40 per dollar following two favorable sessions in a row
- Crude-oil fell, deepening a weekly loss, on mixed economic and consumption data from China, as well as concerns that the market will flip to a supply glut next year. Metals print gains with copper and gold advancing 1.8% and 0.1%, respectively

Corporate Debt

- Minera Frisco will carry out a partial prepayment of its issue MFRISCO 24 on November 25 for MXN 1.0 billion. The note's current outstanding amount is MXN 2.0 billion
- HR Ratings affirmed the rating for issue HIRCB 23 (HIR Casa's MBS) at 'HR AAA (E)' with Stable outlook. The ratification was based on the expected collection flows, the increase in the observed over collateral to a level of 1.53x in 3Q24, and the low delinquency of the assigned portfolio, with the delinquency rate at a level of 2.8%

Previous closing levels

	Last	Daily chg.
Equity indices		
Dow Jones	43,750.86	-0.5%
S&P 500	5,949.17	-0.6%
Nasdaq	19,107.65	-0.6%
IPC	50,553.31	-0.4%
Ibovespa	127,791.60	0.0%
Euro Stoxx 50	4,833.53	2.0%
FTSE 100	8,071.19	0.5%
CAC 40	7,311.80	1.3%
DAX	19,263.70	1.4%
Nikkei 225	38,535.70	-0.5%
Hang Seng	19,435.81	-2.0%
Shanghai Composite	3,379.84	-1.7%
Sovereign bonds		
2-year Treasuries	4.34	6pb
10-year Treasuries	4.44	-2pb
28-day Cetes	10.00	-8pb
28-day TIIE	10.69	1pb
2-year Mbono	10.01	-8pb
10-year Mbono	10.00	-5pb
Currencies		
USD/MXN	20.40	-0.5%
EUR/USD	1.05	-0.3%
GBP/USD	1.27	-0.3%
DX	106.67	0.2%
Commodities		
WTI	68.70	0.4%
Brent	72.56	0.4%
Mexican mix	64.07	0.4%
Gold	2,564.85	-0.3%
Copper	414.05	0.1%

Source: Bloomberg

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